

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

**Before the Commissioner of the Office of Financial and Insurance Services**

**In the matter of:**

**DBSA Holdings, Inc.  
d/b/a Foundation Capital Group, Inc.  
9444 Waple Street, Suite 160  
San Diego, California 92121  
License No: FL-4132**

**Enforcement Case No.: 04-2943**

**Alex Shekhter, President,**

**Respondent.**

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**STIPULATION TO ENTRY OF CONSENT ORDER  
AND CONSENT ORDER REQUIRING COMPLIANCE  
AND PAYMENT OF CIVIL FINES**

**STIPULATION TO ENTRY OF THE CONSENT ORDER**

DBSA Holdings, Inc. d/b/a Foundation Capital Group ("DBSA") and the Office of Financial and Insurance Services ("OFIS") stipulate to the following:

1. On or about November 29, 2004, OFIS served DBSA with a Notice of Opportunity to Show Compliance ("NOSC") alleging that DBSA had violated provisions of the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), MCL 445.1651 *et seq.*
2. On June 28, 2005, OFIS staff conferred with DBSA and determined to settle this matter pursuant to the terms set forth below.
3. The Commissioner of OFIS ("Commissioner") has jurisdiction and authority to adopt

and issue this Consent Order, pursuant to the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, and the MBLSLA.

4. At all pertinent times, DBSA was licensed by OFIS as a mortgage broker, pursuant to provisions of the MBLSLA.

5. Based on OFIS' investigation and communication with DBSA, OFIS alleged the following:

a. DBSA distributed misleading and deceptive advertisements to Michigan residents concerning their mortgages. The misleading and deceptive advertisements used the name of The Bank of Bloomfield Hills in such a manner, so as to mislead the reader into believing that The Bank of Bloomfield Hills had initiated the advertisement.

DBSA sent advertisements to [REDACTED] of Bloomfield Hills, Michigan, concerning the [REDACTED] mortgage at The Bank of Bloomfield Hills. Though DBSA and The Bank of Bloomfield Hills are not affiliated in any way, the name The Bank of Bloomfield Hills prominently appeared at the top of the advertisements leaving the impression that these advertisements originated, or were somehow affiliated, with The Bank of Bloomfield Hills. To further imply that these advertisements were from The Bank of Bloomfield Hills, the advertisements were addressed to the [REDACTED] by first name, indicating a degree of familiarity that is not accurate.

By distributing false, misleading, and deceptive advertisements to Michigan residents, DBSA violated Section 22a of the MBLSLA, MCL 445.1672a.

6. DBSA agrees that it will pay to the State of Michigan, through OFIS, a civil fine in the amount \$5,000.00. This fine will be paid on or before 30 days from the date of entry of this Order.

7. DBSA disagrees with the allegations of OFIS set forth above. Nevertheless, in the interest of resolving this matter, DBSA has agreed to enter into this Stipulation, which shall resolve all violations alleged in the NOSC, and will not be deemed an admission by DBSA of any violation of any Michigan statute or other law or regulation.

8. DBSA agrees that it has discontinued, or will immediately discontinue, all misleading and deceptive advertising as identified in paragraph 5 of this Stipulation.

9. The procedural requirements of the MAPA and MBLSLA have been complied with by both parties.

10. DBSA understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, DBSA waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, DBSA waives any objection to the Commissioner holding a formal administrative hearing and making her decision after such hearing.

11. The failure to abide by the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.

12. The Commissioner has jurisdiction and authority under the provisions of the MAPA and MBLSLA to accept the Stipulation and Consent Order and to issue a Consent Order resolving these proceedings.

13. DBSA has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Consent Order

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**DBSA HOLDINGS INC. D/B/A FOUNDATION CAPITAL GROUP INC.**

**CONSENT ORDER**

Issued and Entered,  
On March 3, 2006,  
by Richard D. Lavolette,  
Chief Deputy Commissioner

Based on the Stipulation to Entry of Consent Order set forth above, IT IS HEREBY  
ORDERED THAT:

1. Notwithstanding that DBSA Holdings, Inc. d/b/a Foundation Capital Group ("DBSA") disagrees with each of the allegations set forth in paragraph 5 of the Stipulation, DBSA agrees to CEASE and DESIST from violating Section 22a of the MBLSLA, as set forth in paragraph 5, and shall do those things set forth in paragraphs 6 through 10; and,

2. DBSA shall pay to the State of Michigan, through OFIS, a civil fine in the amount of \$5,000.00. The fine shall be paid on or before 30 days of the date of entry of this Order.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary, and appropriate in accordance with the MBLSLA.

  
Richard D. Lavolette  
Chief Deputy Commissioner